

## Franchise Tax Board

## NO ANALYSIS REQUIRED

Author: Maldonado Analyst: Gloria McConnell Bill Number: AB 463Related Bills: \_\_\_\_\_ Telephone: 845-4336 Amended Date: 01/13/00Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_**SUBJECT:** Requests for Abatements of Interest/Appeals to Board of  
Equalization/Deficiency Assessments/Statute of Limitation

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☐ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.
- ☒ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is SUPPORT.
- ☐ MINOR AMENDMENT - No change in approved position of \_\_\_\_\_. See comments below.
- ☒ OTHER - See comments below.

**COMMENTS:**

Under this bill, which is sponsored by the Franchise Tax Board (FTB):

- A taxpayer who is protesting a proposed deficiency would be allowed to include in the protest a request for abatement of certain related interest;
- If the taxpayer does not include the request for abatement of interest in the original protest but later appeals FTB's adverse action on the protested proposed deficiency, the taxpayer then would be required to include the request for abatement of that interest with the appeal of the underlying proposed deficiency. The taxpayer could not make a separate request for abatement of interest or appeal a denial thereof;
- If the taxpayer does not protest or appeal FTB's adverse action on the underlying proposed deficiency and is only --
  1. appealing FTB's adverse action on a request to abate that interest or
  2. requesting an abatement of the interest that accrued between the time the deficiency was final and FTB issued its notice of tax due,then the time for filing an appeal to the BOE would be reduced from the present 180 days to the more customary 30 and 90 days, depending upon whether the request for interest abatement is related to unpaid or paid interest; and
- If the taxpayer does not protest or appeal the underlying proposed deficiency and FTB does not respond to the taxpayer's request for abatement of certain interest within six months, taxpayers would treat a request for abatement of interest as deemed denied. In that case, the taxpayer would file an appeal within the above time frames.

## Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input checked="" type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

## Franchise Tax Board Staff

## Date

Gloria McConnell

1/27/00

SUMMARY OF AMENDMENT

These January 13, 2000, amendments would correct the operative date to be January 1, 2001, which would be the effective date of the bill. Additionally, the amendments make technical changes by amending the bill to reflect the law as it was amended this past year (Stats. 99, Ch. 203) and to clarify the operative dates for previous amendments to this section of law.

The January 3, 2000, amendments adopted the provisions discussed in the department's analysis dated December 28, 1999, of the bill as proposed to be amended.

The remainder of the previous analysis of the bill as proposed to be amended and as amended January 3, 2000, still applies.